

Currently, MMS is preparing a possible new five year program that would run from 2010-15 and replace the current program for 2007-12. MMS initiated a new five year plan, due to increased energy costs and the lifting of the presidential and congressional moratoria on drilling in many offshore areas. The proposed lease off Virginia will also most likely be included in the 2010-15 five year plan.

The proposed expedited Five-Year Lease Plan (2010-2015) lists two regional lease sales in the Mid-Atlantic region occurring in 2012 and 2015. Although the Draft Proposed Program (2010-2015) refers to regional lease sales, it is not clear whether the format will be a Lease Nomination sale format (i.e., oil companies nominate blocks of interest and request that MMS put them up for auction) or an Area-Wide Leasing (i.e., sale design offers large areas such as the entire east coast and companies would bid on their tracts of interest) format. This likely will become clear as the proposal moves forward.

In addition, MMS licenses seismic surveys to private companies interested in exploring federal waters for potential energy resources. At present, there are considerable numbers of such seismic surveys pending permitting off North Carolina.

Administrative agencies of the State of North Carolina are engaged under existing authorities in commenting on these possible actions, and on information needed to judge prospective impacts of those actions. The commenting period for the proposed Five-Year Lease Plan (2010-2015) ends on September 21, 2009.

Finding 3. North Carolina has a significant opportunity to shape decisions in Outer Continental Shelf (OCS) waters off its coast, but more moderate opportunities to affect federal decisions related to OCS waters off adjacent states.

In the past, the State's consistency authority has been a major leverage point to protect the State's interests in OCS actions in federal waters. Recent clarification of this consistency authority in its application to OCS issues has made clear that North Carolina must make a detailed and compelling showing of prospective impact (as opposed to statements expressing general concerns). The threshold for such showing in OCS areas off neighboring states is even higher. The State may also make comments directly on other federal permits and actions.

North Carolina also has been heavily involved with fish habitat protection efforts, nearshore through the Coastal Habitat Protection Plan (CHPP, completed in December 2004 and currently undergoing revision), and offshore through federal essential fish habitats protection programs, both of which provide opportunities to shape federal decision making.

Finding 4. Existing revenue sharing programs related to federal offshore Outer Continental Shelf (OCS) resources do not allow for North Carolina to share OCS revenues directly.

At present, revenues generated from federal offshore resource developments are dedicated to federal general funds, with the express exception of the states listed in the Gulf of Mexico Security Act of 2006. In order for North Carolina to share directly in whatever OCS revenues might eventually be generated through exploration and development off North Carolina, congressional action would be necessary.